



State Fiscal Note for Bill Number: 2020-H-8087

Date of State Budget Office Approval:

Date Requested:

Date Due:

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2020	\$0	FY 2020	N/A
FY 2021	\$34.2 million	FY 2021	N/A
FY 2022	\$35.0 million	FY 2022	N/A

*Explanation by State
Budget Office:*

This bill establishes RIGL Section 16-21.6-2, entitled "Student Access to Internet." It asserts that all k-12 students shall have access to "high-speed Internet," and establishes an "Internet Reimbursement Fund" for the purpose of reimbursing districts for costs associated with furnishing high-speed Internet for attending students. The General Assembly shall make a specific appropriation for the reimbursement fund.

This act shall take effect on July 1, 2020.

*Comments on
Sources of Funds:*

As proposed, the "Internet Reimbursement Fund" is financed using general revenues, likely allocated to the Education Aid program of the Department of Elementary and Secondary Education (RIDE). With an effective date of July 1, 2020, there is no estimated fiscal impact until FY 2021.

*Summary of Facts
and Assumptions:*

There are two options to delivering high-speed Internet to k-12 students, [1] through a wired connection or [2] through the distribution of hotspots.

1] RIDE estimates the annual cost of a wired connection is \$120 annually, or \$10 per month, noting this price point is based on a plan meant for only free and reduced priced lunch qualifying students. Using March 2020 enrollment data, 142,361 students, with a 100.0 percent utilization rate, it would cost \$17.1 million in FY 2021 to provide Option 1 ($\$120 * 142,361$ students = \$17.1 million). In FY 2022, the annual cost is estimated at \$17.5 million, inflated using CPI-U of 2.2 percent (May 2020 consensus estimate).

2] RIDE estimates the annual cost of a hotspot is \$240, or \$20 per month, which could be lowered either by suspending service for the summer or entering multi-year deal (i.e. \$15 per-month for a 24-month contract). Using March 2020 enrollment data, 142,361 students, with a 100.0 percent utilization rate, it would cost \$34.2 million in FY 2021 to provide Option 2 ($\$240 * 142,361$ students = \$34.2 million). In FY 2022, the annual cost is estimated at \$35.0 million, inflated using CPI-U of 2.2 percent (May 2020 consensus estimate).

*Summary of Fiscal
Impact:*

As stated above, this bill will impact school years beginning after July 1, 2020, thus FY 2020 will not be affected. For FY 2021 and FY 2022, the estimated impact is \$34.2 million and \$35.0 million respectively. This represents the maximum cost to the state, with a 100.0 percent utilization rate.

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